Instrument prepared by

VIRGINIA GAS AND OIL BOARD

CODE OF VIRGINIA \$ 45.1-361.26 Order recorded under

BEFORE THE VIRGINIA GAS AND OIL BOARD

An Order for Disbursement of Escrowed Funds SOUGHT:

RELIEF

(and Authorization for Direct Payment of Royalties)

Code of Virginia § 45.1-351. (et seq.) AND § 45.1-361.22 (et seq.) AND § 45.1-361.22:2 JURISDICTION:

ZZZ33 UNITAMELL NAME:

1, 3, 4 TRACT(S): BUCHANAN County, Virginia LOCATION:

VGOB-11-1220-3013-01 DOCKET NUMBER: CNX Gas Company LLC on behalf of Derek Browning Rogers, Gregory Poulos, Jason Poulos, Kevin Rogers, Pamela Poulos, Shaun Rogers, Talmage G. Rogers, III APPLICANTS:

Russell County Government Center, Lebanon, Virginia October 20, 2015 HEARING DATE AND LOCATION:

Mark A. Swartz on behalf of CNX Gas Company LLC APPEARANCES:

PRIOR PROCEEDINGS:

- 1. Original Pooling Order Executed 11/26/2012, Recorded on 01/14/2013, Deed Book/Instrument No.
- Supplemental Order, Recorded on 10/11/2013, Deed Book/Instrument No. 130001983.

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the October 20, 2015 hearing and considered whether to:

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1, 3, 4 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1, 3, 4 relative to the interests of the Applicants identified in the attached petition.

(3) Close the escrow account under this docket number.

FINDINGS:

Code of Virginia § 45.1-361.22 AND § 45.1-361.22.2

Applicant has certified and represented to the Board that:

2014, Said decision allows the Applicant and Designated Operator to pay royalties directly to the person(s) identified T.G. Rogers, III, Derek Browning Rogers, Kevin Rogers, Shaun Rogers, Gregory Poutous, Jason Poulous, and Pamela Poutous is entitled to 100% of the CBM royalties awarded under Case No. 550-13, Opinion dated July 10, in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be paid.

There are no remaining conflicts after the disbursement, escrow is no longer required and account is to be closed after disbursement.

RELIEF GRANTED:

VGO	B Disb	VGOB Disbursement	Fractional	Net Acreage	Royalty	Escrowed	Percent of
Unit	Unit ZZZ33		Ownership	Ownership	Split	Acres	Escrowed
VGO	B-11-1	VGOB-11-1220-3013-01	in Tract	inTract	Agreement	Disbursed	Disbursed
Table 1	(B)						
Tract	Tracts: 1, 3, 4	4					
Item	Tract	Disbursement Table					
	Ш	Total acreage in escrow before disbursement				19.46500	
	-	Tract 1 (total acreage)	58.43				
-	£-	Talmage G. Rogers, III/3014 SHALFORD LN MATTHEWS NC 28104-6879	1/32	1.8259	100.00%	1.8259	9.3806%
2	4m	Derek Browning Rogers/2300 CARMEL RD CHARLOTTE NC 28226-6323	1/32	1.8259	100.00%	1.8259	9.3806%
en	-	Kevin Rogers/139 WICKHAM RD GARDEN CITY NY 11530-1141	1/32	1.8259	100.00%	1.8259	9.3806%
4	-	Shaun Rogers/121 NE 100TH St MIAMI SHORES FL 33138-2316	1/32	1.8259	100.00%	1.8259	9.3806%

			2				
ιΩ	_	Gregory Poulos/1894 GLENWOOD St NEPALM BAY FL 32907-2423	1/24	2.4346	100.00%	2.4346	12.5075%
ဖ	_	Jason Poulos/10870 SW 95TH St MIAMI FL 33176-2615	1/24	2.4346	100.00%	2.4346	12.5075%
~		Pamela Poulos\5000 SW 83RD St MIAMI FL 33143-8510	1/24	2.4346	100.00%	2.4346	12.5075%
	m	Tract 3 (total acreage)	8.09				
-	ෆ	Talmage G. Rogers, IIN3014 SHALFORD LN MATTHEWS NC 28104-6879	1/32	0.2528	100.00%	0.2528	1.2988%
N	60	Derek Browning Rogers/2300 CARMEL RD CHARLOTTE NC 28226-6323	1/32	0.2528	100.00%	0.2528	1.2988%
ന	3	Kevin Rogers\139 WICKHAM RD GARDEN CITY NY 11530-1141	1/32	0.2528	100.00%	0.2528	1.2988%
4	ന	Shaun Rogers\121 NE 100TH St MIAMI SHORES FL 33138-2316	1/32	0.2528	100.00%	0.2528	1.2988%
4O	60	Gregory Poulos/1894 GLENWOOD St NEPALM BAY FL 32907-2423	1/24	0.3371	100.00%	0.3371	1.7317%
Ó	60	Jason Poulos/10870 SW 95TH St MIAM! FL 33176-2615	1/24	0.3371	100.00%	0.3371	1.7317%
1	8	Pamela Poulos\5000 SW 83RD St MIAMI FL 33143-8510	1/24	0.3371	100.00%	0.3371	1.7317%
	4	Tract 4 (total acreage)	11.34				
_	4	Talmage G. Rogers, IIN3014 SHALFORD LN MATTHEWS NC 28104-6879	1/32	0.3544	100.00%	0.3544	1.8206%
α.	4	Derek Browning Rogers/2300 CARMEL RD CHARLOTTE NC 28226-6323	1/32	0.3544	100.00%	0.3544	1.8206%
ന	4	Kevin Rogers\139 WICKHAM RD GARDEN CITY NY 11530-1141	1/32	0.3544	100.00%	0.3544	1.8206%
4	4	Shaun Rogers/121 NE 100TH St MIAMI SHORES FL 33138-2316	1/32	0.3544	100.00%	0.3544	1.8206%
ŔĊ	4	Gregory Poulos/1894 GLENWOOD St NEPALM BAY FL 32907-2423	1/24	0.4725	100.00%	0.4725	2.4274%
9	4	Jason Poulos/10870 SW 95TH St MIAMI FL 33176-2615	1/24	0.4725	100.00%	0.4725	2.4274%
7	4	Pamela Poulos\5000 SW 83RD St MIAMI FL 33143-8510	1/24	0.4725	100.00%	0.4725	2.4274%

58.43

Tract 1 (total acreage)

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.

2. The Escrow Agent is ordered to close the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

CONCLUSION:

Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

APPEALS:

operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo. Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal

DONE AND EXECUTED this 21 day of October, 2015 by a majority of the Virginia Gas and Oil Board.

Chairman, Bradley C. Lambert

DONE AND PERFORMED this 21 day of October, 2015 by Order of the Virginia Gas and Oil Board.

Rick Cooper

Principal Executive to the staff, Virginia Gas and Oil Board

Rick Cooper

COMMONWEALTH OF VIRGINIA COUNTY OF RUSSELL

Acknowledged on this 21 day of 0 day, 2015, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.

Sarah Jessee Gilmer, Notary Public

262946

My Commission expires: July 31, 2017

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC DIVISION OF GAS AND OIL

DOCKET NO: VGOB 11-1220-3013-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1, 3, 4 (2) AND

AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES

HEARING DATE: October 20, 2015

DRILLING UNIT: ZZZ33

BUCHANAN COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, 627 Claypool Hill Mall Road, Cedar Bluff, VA 24609, (276) 596-5075. Petitioner's counsel is Mark A. Swartz, Hillard & Swartz, LLP, 122 Capital Street, Suite 201, Charleston, WV 25301.

2. Relief Sought

(1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 1, 3 & 4, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the parties to the prevailing plaintiffs; T.G. Rogers, III, Derek Browning Rogers, Kevin Rogers, Shaun Rogers, Gregory Poulos, Jason Poulos, and Pamela Poulos.

3. Legal Authority

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of Well(s)

Coalbed Methane

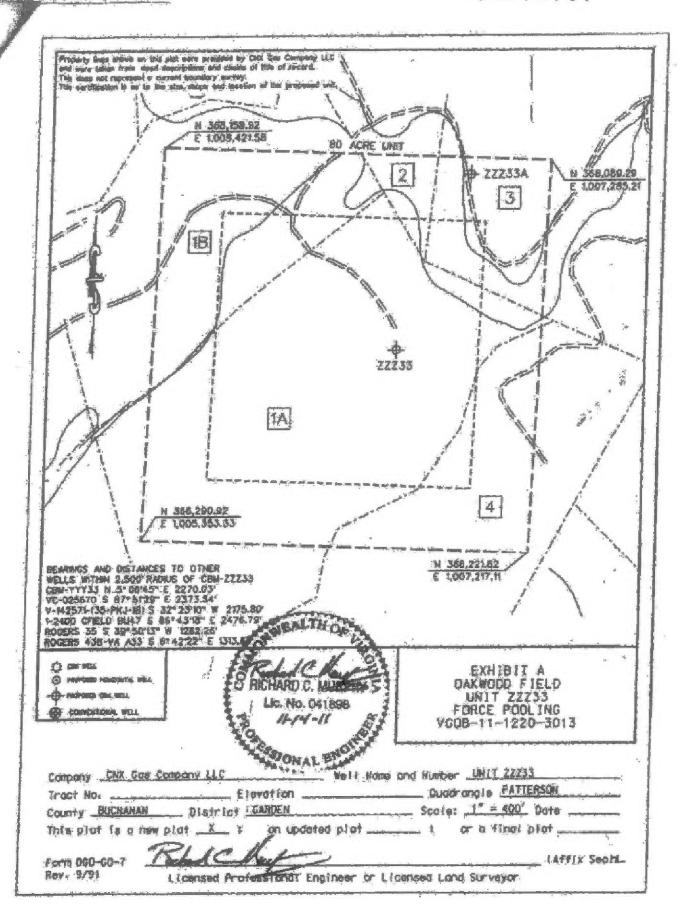
5. Factual basis for relief requested

T.G. Rogers, III, Derek Browning Rogers, Kevin Rogers, Shaun Rogers, Gregory Poulous, Jason Poulous, and Pamela Poulous is entitled to 100% of the CBM royalties awarded under Case No. 550-13, Opinion dated July 10, 2014, Said decision allows the Applicant and Designated Operator to pay royalties directly to the person(s) identified in Exhibit EE annexed hereto and the annexed Table, further, specifies how said royalties are to be paid.

There are no remaining conflicts after the disbursement, escrow is no longer required and account is to be closed after disbursement.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.



CNX Gas Company LLC UNIT ZZZ33 Tract identifications

- LBR Holdings, LLC (85.50 Acre Tract) All Coal Island Creek Coal Company/Consol Energy, Inc. - Ocal Below Jawbone Seam Leased Reserve Coal Properties Company - P-3 Seam Subleased Jawell Smokeless Coal Corporation - Coal In Jawbone Seam and Above Leased LBR Heldings, LLC, et al - Dil and Gas EQT Production Company - Oil and Gas Leased (75%) CNX Gas Company LLC - CBM Leased (Geomet Farmout - Held by Production) (75%) 58.43 acres
- TA. J.G. Beicher, Jr., et al. Surface.
 TB. Walter Cooper, et ux Surface.
- Randy Malney, et al (104.00 Acre Tract) Fee
 Island Creek Coal Company/Consol Energy, Inc. All Coal Below and Above Tiller Seam Leased
 Jewell Smidkeless Coal Corporation Javobne Seam of Coal Sublessee
 CNX Gas Company LLC Oil, Gas and CBM Leased
 2,14 acres
- 3. LBR Holdings, LLC (128.50 Acre Tried) All Coal Island Crack Coal Company/Coneol Energy, Inc. Coal Bellow Jewbone Seem Leased Reserve Coal Properties Company P-3 Seam Gubleased Jewell Smokeless Coal Corporation Coal in Jaybone Seam and Above Leased LBR Holdings, LLC, et al Oil and Gas EQT Production Company Oil and Gas Leased (75%) CNX Gas Company LLC CBM Leased (Geomet Farmout Held by Production) (75%) Gallle Cole, et al Surface 8.09 acres
- 4. LBR Holdings, LLC (36,30 Agra Tract) All Coal Island Creek Coal Company/Consol Energy, Inc, Coal Below Jawbone Seam Leased Reserve Coal Properties Company P-8 Seam Subleased Jewell Smokaless Coal Corporation Coal In Jawbone Seam and Aboye Leased LBR Holdings, LLC, et al Oil and Gas EQT Production Company Oil and Gas Leased (75%) CNX Gas Company LLC CBM Leased (Geomet Farmout Held by Production) (75%) Kim Smith, et al Surface 11,34 agras 14.1750%

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."

Page 1 of 1

Exhibit E Unit ZZZ-33 Docket # VGOB 11-1220-3013-01 List of Respondents that require escrow (80 Acre Unit)

Acres in Unit

Percent of Unit

Escrowing not required

Exhibit EF Unit ZZZ-33

Docket # VGOB 11-1220-3013-01

List of Respondents with Royalty Split Agreements or Court Orders (80 Acre Unit)

		Acres in Unit	Percent of Unit	Percent of Escrow
Tract #1 - 58.43	Acres			
COAL	OWNERSHIP			
(1)	LBR Holdings, LLC (85.50 acre tract)	58.43 acres	73.0375%	
	P.O. Box 22427 Lexington, KY 40522-2427	14.61 acres 1/4 of 58.43 acres	18.2594%	n/a
OIL 8	GAS OWNERSHIP			
(1)	LBR Holdings, LLC, et al. (85.50 acre tract)	58.43 acres	73.0375%	
(b	T.G. Rogers, tili 3014 Shalford Lane Matthews, NC 28104	1.83 acres 1/32 of 58.43 acres	2.2824%	9.3806%
{c;	Derek Browning Rogers 2300 Carmel Road Charlotte, NC 28226	1.83 acres 1/32 of 58.43 acres	2.2824%	9.3806%
(d)	Kevin Rogers 139 Wickham Road Garden City, NY 11530	1.83 acres 1/32 of 58.43 acres	2.2824%	9.3806%
(e)	Shaun Rogers 121 NE 100th Street Miami Shores, FL 33128	1.83 acres 1/32 of 58.43 acres	2.2824%	9.3806%
(f)	Gregory Poulos 1894 Glenwood St. NE Palm Bay, FL 32907-2423	2.43 acres 1/24 of 58.43 acres	3.0432%	12.5075%
(g)	Jason Poulos 10870 SW 95th Street Miami, FL 33176	2.43 acres 1/24 of 58.43 acres	3.0432%	12.5075%
(h)	Pamela Poulos 5000 SW 83rd Street Miami, FL 33143-8510	2.43 acres 1/24 of 58.43 acres	3.0432%	12.5075%
Tract #3 - 8,09 A	cres			
COAL	OWNERSHIP			
(1)	LBR Holdings, LLC * (126.50 acre tract)	8.09 acres	10.1125%	
	P.O. Box 22427 Lexington, KY 40522-2427	2.02 acres 1/4 of 8.09 acres	2.5281%	
OIL &	GAS OWNERSHIP			
	LBR Holdings, LLC, et al. (126.50 acre tract)	8.09 acres	10.1125%	

Exhibit EE Unit ZZZ-33

150001767

Docket # VGOB 11-1220-3013-01

List of Respondents with Royalty Split Agreements or Court Orders (80 Acre Unit)

0.25 acres		
1/32 of 8.09 acres	0.3160%	1.2988%
0.25 acres 1/32 of 8.09 acres	0.3160%	1.2988%
0.25 acres 1/32 of 8.09 acres	0.3160%	1.2988%
0.25 acres 1/32 of 8.09 acres	0.3160%	1.2988%
0.34 acres 1/24 of 8.09 acres	0.4214%	1.7317%
0.34 acres 1/24 of 8.09 acres	0.4214%	1.7317%
0.34 acres 1/24 of 8.09 acres	0.4214%	1.7317%
1.34 acres 2.84 acres	14.1750% 3.5438%	
1/4 of 11.34 acres		
1.34 acres	14.1750%	
	0.4430%	1.8206%
	0.4430%	1.8206%
	0.4430%	1.8206%
	0.4430%	1.8206%
1	1/4 of 11.34 acres 11.34 acres 0.35 acres 1/32 of 11.34 acres	2.84 acres 3.5438% 1/4 of 11.34 acres 11.34 acres 14.1750% 0.35 acres 0.4430% 0.35 acres 0.4430% 1/32 of 11.34 acres 0.35 acres 0.4430% 1/32 of 11.34 acres 0.35 acres 0.4430%

Exhibit EE Unit ZZZ-33

150001767

Docket # VGOB 11-1220-3013-01 List of Respondents with Royalty Split Agreements or Court Orders (80 Acre Unit)

	Acres in Unit	Percent of Unit	Percent of Escrow
(f) Gregory Poulos 1894 Glenwood St. NE Palm Bay, FL 32907-2423	0.47 acres 1/24 of 11.34 acre	0.5906% s	2.4274%
(g) Jason Poulos 10870 SW 95th Street Miami, FL 33176	0.47 acres 1/24 of 11.34 acre	0.5906% s	2.4274%
(h) Pamela Poulos 5000 SW 83rd Street Miami, FL 33143-8510	0.47 acres 1/24 of 11.34 acres	0.5906% s	2.4274%
	TOTAL:		
	Acreage in Unit 19.4 Percentage of Unit	7 24,3313%	

VIRGINIA: IN THE CIRCUIT COURT OF BUCHANAN COUNTY

GREGORY G. POULOS, JASON G. POULOS, PAMELA F. POULOS, SHAUN D. ROGERS, KEVIN H. ROGERS, DEREK B. ROGERS and T.G. ROGERS, III,

Plaintiffs,

Case No. 550-13

V.

LBR HOLDINGS, LLC,

Defendant.

ORDER

This matter, having come before the Court for hearing on June 2, 2014, on the parties' respective motions for summary judgment, and the Court, having reviewed the written submissions of the parties and having heard oral argument of counsel, and for good cause shown, hereby ORDERS:

- I. Plaintiffs' Complaint and Defendant's Counterclaim both request that this Court, pursuant to Virginia Code § 8.01-184, declare their respective rights under the May 27, 1938, deed ("Deed") attached to Plaintiffs' Complaint as Exhibit "A."
- 2. The Deed includes a conveyance by T. G. Rogers and Martha F. Rogers, his wife (the "Talmage Rogers Group"), and Lloyd Rogers and Anne F. Rogers, his wife (the "Lloyd Rogers Group"), of their interests in certain parcels of property in Buchanan County, Virginia, (the "Property") and McDowell County, West Virginia, to Lon B. Rogers. The Deed specifically recites: "But there is excepted from the above-described property an undivided one-half interest in the oil and gas under said property and the same is reserved to T. G. Rogers and Lloyd Rogers,

parties of the first part, their heirs and assigns, together with the usual and necessary rights of ingress and egress and drilling rights to explore, get and remove said oil and gas."

- 3. It is undisputed that Plaintiffs are the successors to the interests of the Talmage Rogers Group under the Deed, and that Defendant, LBR Holdings, LLC ("LBR"), is the successor to the interests of Lon B. Rogers and the Lloyd Rogers Group under the Deed.
- 4. Plaintiffs seek a declaration that the Deed's reservation of gas under the Property includes, *inter alia*, coalbed methane gas, and that they are, therefore, the owners of 25% of the coalbed methane gas under the Property and entitled to the associated royalties. LBR, on the other hand, seeks a declaration that the Deed's reservation of gas under the Property does not include coalbed methane gas, that the Deed, therefore, conveyed coalbed methane gas to Lon B. Rogers, and that LBR, as Lon B. Rogers' successor-in-interest, is the owner of all the coalbed methane gas under the Property and entitled to the associated royalties.
- 5. Having examined the reservation language and the "four corners" of the Deed, the Court finds that the Deed is unambiguous and that the Deed's reservation of "the oil and gas under said property" includes a reservation of coalbed methane gas under the Property. Plaintiffs are, therefore, entitled to prevail as a matter of law.
- 6. Coalbed methane gas is obviously "gas," see Harrison-Wyatt, LLC v. Ratliff, 593 S.E.2d at 234, 238 (Va. 2004) (coalbed methane "is a gas"); and there is nothing in the Deed that removes coalbed methane or any other type of gas from the scope of the reservation. The language at issue is unlimited, plain, and unambiguous.
- 7. LBR argues that "the oil and gas" does not mean "all" but only "some" gas. The Court agrees with Plaintiffs, however, that the reservation of "the" gas is not a limited reservation of only some types of gas, but an unambiguous and unlimited reservation of all gas. Such an

interpretation of "the" is in accordance with the ordinary, plain and common sense meaning of the word.

- 8. LBR also argues that the parties to the Deed would not have intended to include coalbed methane gas in the reservation because, according to LBR, the commercial value of coalbed methane was not known in 1938. LBR presented no evidence in support of this argument and Plaintiffs presented undisputed evidence to the contrary. Regardless, this Court is bound to uphold the unambiguous reservation language, which refers to gas without qualification or limitation, and which, as written, encompasses all types of gas, whether commercially exploitable at the time of the Deed's execution or not.
- 9. The Court concludes that the arguments and authorities presented by Plaintiffs in their motion and reply brief are well-founded and correct. A ruling in LBR's favor would require the Court to rewrite the Deed, which it will not do. Nor will the Court torture words and phrases or engage in speculation to create an ambiguity where the ordinary meaning of the words leaves no room for ambiguity.
- 10. There are no issues of material fact in dispute regarding Plaintiffs' ownership of 25% of the coalbed methane gas under the Property. The Court grants Plaintiffs' motion for summary judgment in full and denies LBR's motion for summary judgment in full.
- 11. This Order constitutes a judicial determination of coalbed methane gas ownership as between Plaintiffs and LBR pursuant to Virginia Code § 45.1-361.22(5)(i) and resolves in Plaintiffs' favor all conflicting claims of coalbed methane gas ownership between Plaintiffs and LBR relating to the Property.
- 12. Plaintiffs are entitled to receive all coalbed methane gas royalties attributable to their 25% gas estate interest in the Property that are being held in the Virginia Gas and Oil Board's

escrow account or otherwise being withheld from Plaintiffs due to the conflicting claims of coalbed methane ownership between Plaintiffs and LBR. Plaintiffs are also entitled to receive all future coalbed methane gas royalties or other proceeds that are attributable to their 25% gas estate interest in the Property. All such royalties and proceeds shall be divided among the individual Plaintiffs in accordance with their respective percentages of ownership.

SO ORDERED, this the part day of Ily 2014.

Circuit Court Judge

SEEN AND REQUESTED:

Jennifer L. Shaver, Esq. (VSB# 79047)

Ellis Professional Building, Suite A

211 West Main Street Abingdon, VA 24210

Telephone: (276) 525-1103 Facsimile: (276) 525-1112

jen@jenshaver.com

Counsel for Plaintiffs

SEEN AND OBJECTED TO FOR ALL THE REASONS DETAILED IN LBR HOLDINGS, LLC'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT AND RESPONSE TO PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT AND AT THE HEARING; AND ON THE ADDITIONAL GROUNDS THAT TO THE EXTENT THE COURT MAY HAVE CONSIDERED SUBMISSIONS OF EXHIBITS OTHER THAN THE DEED AT

ISSUE, THE COURT SHOULD HAVE DENIED BOTH PARTIES' MOTIONS FOR SUMMARY JUDGMENT SO THAT BOTH PARTIES WOULD HAVE HAD AN OPPORTUNITY TO DEVELOP AND PROPERLY INTRODUCE SUCH EVIDENCE:

Trevor L. Earl, Esq. (VSB# 37573)

REED WEITKAMP SCHELL & VICE PLLC Trewe &

500 West Jefferson Street, Suite 2400

Louisville, KY 40202

Telephone: (502) 589-1000 Facsimile: (502) 562-2200

tearl@rwsvlaw.com

Counsel for LBR Holdings, LLC

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Teste: Beverly S. Tiller Thick Circuit Court of Buchanal

INSTRUMENT #150001767
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
OCTOBER 27: 2015 AT 02:19PM

BEVERLY S. TILLER, CLERK RECORDED BY: GGB